



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE
CARVEL STATE BUILDING
820 N. FRENCH STREET
P.O. BOX 8911
WILMINGTON, DELAWARE 19899-8911

DIVISION OF REVENUE

August 22, 1996

TECHNICAL INFORMATION MEMORANDUM 96-6

SUBJECT: PUBLIC UTILITY TAX RATE REDUCTIONS

CONTACT: RONALD A. KAMINSKI
(302) 577-5800, EXT 7545

This Technical Information Memorandum is intended to report on House Bills 712 and 714 which reduced the tax rate on cable television services and commodities and provided for an exemption from tax for commodities furnished to the United States, this State and to their instrumentalities and agencies.

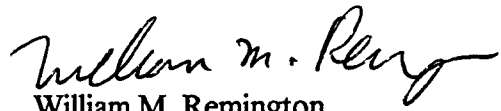
CABLE TELEVISION COMMODITIES

Effective for cable television services and commodities distributed on or after October 1, 1996, the public utility tax rate is reduced from 4.25% to 2.125%.

EXEMPTION FOR GOVERNMENTAL SALES

Effective for sales of gas, electricity, telephone, telegraph and cable television commodities and services distributed after December 31, 1996, the following entities are exempt from the utility tax imposed under Section 5502 of Title 30 of the Delaware Code.

- 1) The United States or this State or their instrumentalities and agencies.
- 2) Political subdivisions of this State
- 3) Public school districts in this State.
- 4) Delaware State University.
- 5) Delaware Technical and Community College.
- 6) Delaware Transportation Authority
- 7) Delaware Housing Authority
- 8) University of Delaware
- 9) Delaware Solid Waste Authority


William M. Remington
Director of Revenue